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TAGS: [DR](#) [PGOV](#) [PREL](#) [VARGAS](#) [MALDONADO](#) [MIGUEL](#)
SUBJECT: DOMINICAN POLITICS III #9: MIGUEL VARGAS
MALDONADO, PRD HEIR APPARENT

Classified By: Economic-Political Counselor Michael A. Meigs, Reasons 1
.4(b), (d)

11. This is the third cable in our series on Dominican
politics in the third years of the administration of
President Leonel Fernandez.

Political Series III #9:
Miguel Vargas Maldonado, PRD Heir Apparent

(SBU) On October 30 the Ambassador received Miguel Vargas Maldonado, the beefy, self confident businessman who is certain of winning the opposition PRD's presidential nomination at the party convention of January 7, 2007. Vargas, a wealthy construction entrepreneur who served as President Mejia's Minister of Public Works, had essentially concluded arrangements to be nominated in early November but in face of protests from perennial PRD candidates, he agreed to a delay in the consecration. Other candidates of the &Unitary Faction&8 agreed to put up former Education Secretary Milagros Ortiz Bosch as their pro forma contender.

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(SBU) Vargas arrived with an escort of influential PRD leaders, all of them well known to the Ambassador:

- - Sen. Andres Bautista, three times president of the Senate
- - Congressional representative for Santo Domingo &Nene&8 Cabrera, who received more votes in the May 2006 election than any other candidate for the House
- - Former Labor Minister Milton Ray Guevara, co-author of the new Labor Code in the 1990's and president of the 2004

general assembly of the International Labor Organization

-- Peggy Cabral, PRD international affairs director and widow of the party's hallowed leader, the late Francisco Pea Gmez

-- Dr Puello, head of the country's Olympic Committee for 25 years, including for the Pan American Games of 2003, and

-- Hugo Rivera Fernandez, one of the chief negotiators for the DR-CAFTA regional trade agreement with the United States

(U) Earlier announced but not accompanying was Alfredo Pacheco, former president of the House of Representatives and unsuccessful candidate for the Santo Domingo mayor's office.

Pacheco is recorded in the newspapers as a member of Vargas Maldonado's organizing committee.

(SBU) Vargas Maldonado went through in some detail the level of support he believes he has already achieved in the primary race. He said that 46 of the 57 vice presidents of the party presidium support him, as do 5 of the 6 PRD Senators and 50 of the party's 53 mayors.

(SBU) Vargas said that the United States was the most important country to the Dominican Republic, for many reasons. U.S. concerns such as terrorism, counter-narcotics, illicit flights from Venezuela, and extradition are "also concerns of ours . . . the United States is our main partner in combating these ills, which are also domestic issues because they contribute to the crime problem in the Dominican Republic.⁸ He studied in the United States, he said, &or virtually, since I did my engineering degree in Puerto Rico.⁸

Foreign Relations

(C) Relations with Venezuela could be difficult for a PRD government, he said, recalling that President Chavez had abruptly cut off petroleum shipments in 2003 when Mejia had declined to take action in response to allegations from Venezuelan security services that former Venezuelan President Carlos Andres Perez was conspiring against Chavez. "Even so, we respect governments that are legitimately established." As for the current competition between Venezuela and Guatemala for a Security Council seat, Chavez's granting of favors during his international campaign amounts to "playing with his people's money." Turning to Cuba, Vargas believes that the Cuban people are ready for change, and that the Dominican Republic's experience with a democratic transition is one it could share. Vargas said that there is some concern here that a post-Castro Cuba might attract more visitors and hurt the Dominican tourism sector.

(SBU) Vargas Maldonado conceded that the current government led by the Dominican Liberation Party (PLD) has achieved some economic growth but asserted that these gains are not being felt by the common man. The cost of basic foodstuffs is up, and the PLD has broken a series of promises to the public. Were he to win the presidency, his administration would focus on four priorities: education, health, economic growth, and housing. &I will raise spending on education from 1.9 percent of GDP to 4 percent, which is the requirement already established in law.⁸

(C) &Education and health sectors have been abandoned by the PLD -- just check the (budget) numbers." While the current government spends large amounts on a Metro system that will serve fewer than 10 percent of the inhabitants of the capital and will require eternal subsidies, virtually nothing is going to the countryside, where the lack of furniture in schools means that some children have to sit on cement blocks. The health sector has by and large been turned into a jobs program for PLD supporters -- fewer than 50 percent of the public health employees are health professionals, according to the candidate.

(C) Vargas called the PLD's efforts on combating corruption "a joke." Vargas cited the large number of vice-consuls at the Dominican Consulate in New York. He sees these positions as pay-offs. To be sure all present understood his meaning, he made a hand gesture signifying the payment of currency.

Campaigns and Institutions

(C) Looking past the party primary to national presidential campaign, Vargas predicted divisions within the PLD would come into the open in January. President Fernandez could be challenged for the PLD nomination by presidential chief of staff Danilo Medina, and Medina can count on the support of Reinaldo Pared Perez, the president of the Senate. Pared Perez is a dogmatic, directive party figure, and his management of the Senate has reflected this. &Instead of working in collegial fashion, he is continually throwing rocks in the faces of the PRD senators.⁸ Vargas was not ready to assess the Senate's current review of more than 200 prospective candidates for the 9 positions on the National Electoral Board. ⁸But the law requires the appointments to be made in consultation with the parties, for they are the representatives of the people.⁸

(C) Vargas asserted that there had been PLD-orchestrated electoral fraud in the past and more could occur in the 2008 election. He stressed the illegal use government resources for campaign purposes. The PRD leader described as

suspicious the fact that, in the 2006 mid-term elections, a number of his party's candidates lost races by very small margins (as few as seven votes). The PLD government's provision of security is insufficient, as demonstrated by violence and deaths that occurred during the campaigns.

Comment

(C) There was a bit of Kabuki theatre going on here, since this was the candidate's first formal call on the Ambassador of the United States of America. He was repeating for us the campaign messages already in play in the provinces and in the media. The Ambassador touched on the general theme of corruption, but Vargas Maldonado replied in generic campaign fashion rather than acknowledging the rumors and assertions by some that his own wealth has come through shady dealings. In this ritual setting he could hardly do otherwise; but he will need better answers about his own antecedents and intentions once Fernandez and the PLD turn their attention to campaigning.

12. (U) Drafted by Peter Hemsch, Michael Meigs

13. (U) This report and extensive other material can be consulted on our SIPRNET site,
<http://www.state.sgov.gov/p/wha/santodomingo/>
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